

After you are made bankrupt



ISI

Tackling problem debt together



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What is the ISI?

The Insolvency Service of Ireland (ISI) is an independent government body set up to help tackle personal debt problems.

The ISI has a range of solutions available to help you tackle your problem debt, one of which is bankruptcy.

This guide is intended for people who have already explored all of the ISI's debt solution options; have been advised that bankruptcy is the right solution for them and are in the bankruptcy process.

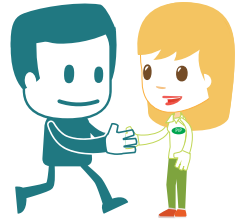
The ISI has also produced a booklet called 'Information about Bankruptcy' which gives a general outline of the process. That guide is available on **www.backontrack.ie**

Note – It is advisable to seek some professional advice in advance of declaring yourself bankrupt.

Day 1 – Adjudication

The following leaflet sets out the general steps you can expect to take place once you have submitted an application to be made bankrupt and are due to attend court to confirm your application.

The diagram below shows the main stages of the bankruptcy process. This booklet provides information in respect of points 2-5 below.



By now you will have begun the process and completed the following:

- paid the fee to petition for your bankruptcy
- filed your papers with the Examiner's Office
- received your court date and details.



It is common for people to feel nervous about appearing in court; however, the process is not intrusive and usually only lasts a few minutes.

The Examiner's Office will have forwarded your file to the Bankruptcy Division in the ISI, who will manage your case from this point onwards.

Bankruptcy hearings are held in the **High Court, Dublin 7**.

The following information broadly sets out the next steps that you can expect to happen -

In Court

When you arrive at the court you should make your way into the appropriate courtroom – details will be set out in correspondence received from the Examiner's Office. There will be a number of people in attendance, as the Judge will be dealing with several cases.

When it is your turn, the Registrar will call out your initials and you should stand up to identify yourself. The Judge will usually state that your papers are in order and adjudicate you bankrupt. (This means that you have been made bankrupt). The Judge will set a date for your second court appearance, which is known as a Statutory Sitting. You must also attend this court sitting. The Judge will also state that you should advertise your Statutory Sitting details on the ISI's website and in Iris Oifigiúil – a government publication.

The Judge will move on to the next person on their list, so you are free to leave the courtroom.

Representatives from the ISI will be in attendance in court on the day. One of these representatives is a person called the Bankruptcy Inspector. When you leave the courtroom you will find the Bankruptcy Inspector in the hallway. There, he will give you a form to complete which requests your contact and other details. These details will be used by the ISI to contact you and process your bankruptcy. This completes your first court visit for your bankruptcy.

From the day of your court hearing your bank accounts will be frozen with the exception of one current account that you are entitled to keep. You can maintain a balance of up to €1000 for general living expenses in that account. The ISI will notify all financial institutions and inform them that you have been made bankrupt.

The process is now underway and you are one step closer to getting back on track financially.

After you have been made bankrupt

Following your adjudication, there are a number of steps that need to take place in order to progress your bankruptcy.

The Bankruptcy Division in the ISI will contact you by email or post with a **Statement of Personal Information (SPI) form** which you will need to complete.

What is a Statement of Personal Information (SPI) Form?

The SPI is a very important document. You need to complete it fully so that it sets out all of your personal details, your employment and income details, your household composition, your assets and some other personal details.

You must complete the SPI and return it to the Bankruptcy Division in the ISI along with a copy of some other personal documentation that is listed in the checklist contained in the SPI.

Once this material has been returned to the ISI, the bankruptcy team will follow up with you directly with any questions they may have about the information provided.

You may be asked to attend for interview – currently about 5% of bankruptcy cases are interviewed at this stage of the process but the bankruptcy team may contact you at any time if they require more information.

The bankruptcy team will use your SPI form to assist them in conducting an income payment assessment and manage your bankruptcy.



Income Payment Assessment

An income payment assessment is an assessment conducted by the ISI, based on the information you have given them, to determine the correct reasonable living expenses that apply in your case.

When you are made bankrupt, you are entitled to have a reasonable standard of living. This includes food, clothing, education, healthcare and a modest allowance for savings. Under the ISI model, this means a higher standard than merely living at a subsistence level, which people often exist on when in debt.

This assessment will be based on the bankruptcy team's research and enquiries relating to your case and the information you provide in the SPI. The bankruptcy team will work out your reasonable living expenses based on the ISI's set guidelines https://www.isi.gov.ie/en/ISI/Pages/RLE_calculated

If you have money left over after what is defined as a reasonable standard of living, you will have to contribute that remaining money to the Official Assignee for a period of up to 3 years and he will pay it out to your creditors. This is known as a dividend.

Advertising your Statutory Sitting

When you have been made bankrupt, there are two separate advertisements you must place. One in Iris Oifigiúil (the State Gazette) and another on the ISI website. These are two separate processes.

Important timelines to note

Your Statutory Sitting must be advertised in both the Iris Oifigiúil and the ISI website a maximum of 21 days prior to the date of the sitting but no less than 10 days before it.

(1) Advertising in Iris Oifigiúil

Usually, about 4-6 weeks before your statutory sitting date, the Examiner's Office will send you a Notice of Adjudication and Statutory Sitting (Form 19).

This notice will be sent by post and you must be in receipt of this notice before you can advertise your statutory sitting. You must fill in Form 19 and post this completed notice to:

**The Editor,
Iris Oifigiúil,
Government Publications,
52 St. Stephens Green,
Dublin 2.**

There is a cost (up to €75) associated with this advertisement in Iris Oifigiúil.

Tip* To see a copy of what the notice looks like and to see some instructions on how to advertise on the ISI website please go to:

http://www.isi.gov.ie/en/ISI/Pages/Statutory_Sittings

Following publication of your advertisement in Iris Oifigiúil you will receive proof that your advertisement was published by post.

(2) Advertising on the ISI website

To advertise on the ISI website you must email a scanned version of your Notice of Adjudication and Statutory Sitting (sent by the Examiner's Office) to **bankruptcy@isi.gov.ie** and the Bankruptcy Team in the ISI will publish this on the ISI's website.

There is no cost for this advertisement.

Following this, the ISI will send you a proof of publication by email.



Proof of both advertisements, the email from ISI confirming advertisement on it's website and the proof forwarded to you by Iris Oifigiúil must then be sent to the Examiner's Office by at least the Wednesday before your Statutory Sitting date.

Your Second Court appearance – the Statutory Sitting

The Statutory Sitting is the second part of the court process in bankruptcy.

Statutory Sittings are usually held in the same court room as bankruptcy hearings and are generally considered by the Judge following the new petitions for bankruptcy.

As is the case when you are made bankrupt, your name will be called by the Registrar and your case heard.

You will be asked if you have advertised the Statutory Sitting on the ISI website and in Iris Oifigiúil. At the Statutory Sitting any of your creditors (the people you owe money to) who are present are also given the chance to object to your bankruptcy – although this rarely happens.

In order for your bankruptcy to be confirmed, the Official Assignee in Bankruptcy (the Head of the Bankruptcy team in the ISI) must confirm to the court that you have co-operated with his team (e.g. in completing your SPI and income assessment).

This concludes your second and (usually) final bankruptcy court date.

Once bankrupt

- All your unsecured debts are written off.
- The Bankruptcy Division will be in touch with you to administer your bankruptcy.
- Your property and possessions - with the exception of essential assets up to a value of €6,000 are transferred to the Official Assignee. The Official Assignee then arranges for those items to be sold and the money generated from the sale is distributed to your creditors.
- Your creditors can no longer contact you; they must deal with the Official Assignee.
- You have a duty to contribute from surplus income towards your debts for up to 3 years.
- You cannot seek to obtain credit of over €650 without disclosing that you are bankrupt.
- You should inform the Official Assignee if you are going abroad during your bankruptcy term.
- Your circumstances are reviewed periodically.



You will normally be automatically discharged from bankruptcy after 1 year. This term could be shorter if a settlement with your creditors is reached. However, the period could be longer if you do not fully co-operate or if you fail to disclose all of your property. Please feel free to contact a member of the bankruptcy team by calling **076 106 4232**. They will be able to assist you with any queries you may have about any aspect of your bankruptcy.



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This guide has been produced by the Insolvency Service of Ireland (ISI) and is intended as a general, introductory, non-technical guide for debtors in relation to the process involved in bankruptcy. If you require further information of a general nature, please consult the ISI website, www.isi.gov.ie, or contact the ISI's office by the various means detailed in this guide.

The ISI has no role in providing legal advice or interpreting the law and this guide is not an interpretation of, or advice on the law. In addition, the ISI has no role in providing financial advice. If you are in doubt in relation to your legal or financial position, please take appropriate professional advice or contact an Approved Intermediary/Personal Insolvency Practitioner, as appropriate.